9/15/86 SB613-A

OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
AUGUST 1986

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
July 1986	9.4
June 1986	9.4
July 1985	9.1
U.S.	
July 1986	6.9
June 1986	7.1
July 1985	7.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
July 1986	111.6
June 1986	112.2
May 1986	112.1
Apr. 1986	111.9
Mar. 1986	111.5

DIFFUSION INDEX

Oregon	
July 1986	45.3
June 1986	47.7
May 1986	48.4
Apr. 1986	52.3
Mar. 1986	48.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
June 1986	38.9
May 1986	39.3
June 1985	39.3

CONSUMER PRICE INDEX (CPI)
1967=100
ALL URBAN CONSUMERS

Portland MSA	
July 1986	314.7
Yearly Change	+ 0.6%
U.S.	
July 1986	328.0
Yearly Change	+ 1.6%

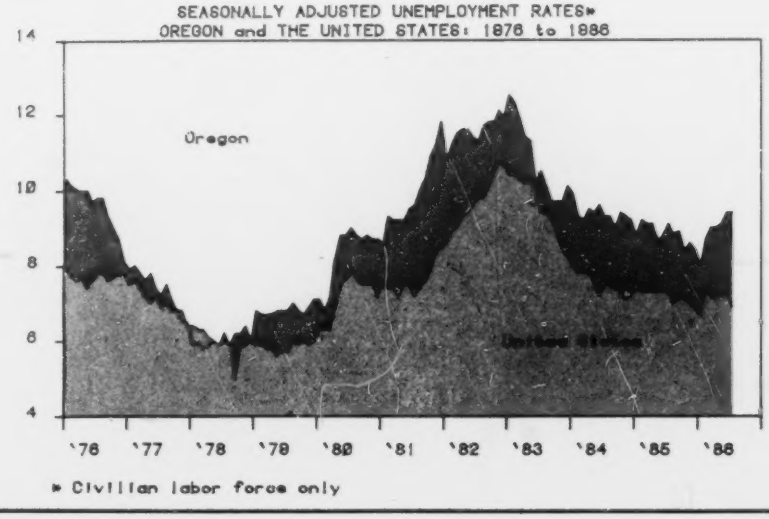
Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

Jeff Hannum

Oregon's economy limped into the second half of 1986 as several key economic indicators flashed signs of weakness, especially in the manufacturing industries. The State's seasonally adjusted unemployment rate remained unchanged at 9.4% in July, two and a half percentage points above the U.S. rate which declined by 0.2 points to 6.9%. Although Oregon's unemployment rate remained static over the past two months, the general trend so far in 1986 has been discouraging. You see this in the graph below. Since reaching a low point of 8.0% in January, Oregon's rate increased in every month except April and July when no change occurred. The national unemployment rate has been more stable this year, fluctuating between 6.7% and 7.3%. The result is a widening unemployment rate gap between Oregon and the Nation in 1986.

Two other economic indicators showed that Oregon's economy lost ground in July. Although the trend in the nonfarm employment indexes for both Oregon and the Nation was positive and very similar during the first half of 1986, a different pattern emerged in July as the accompanying graph shows. The U.S. employment index jumped 0.6 points to a new record high of 121.6. Oregon's index, however, took its biggest fall in three years, declining 0.6 points to 111.6 in July. Both indexes are seasonally adjusted, are based on the year 1977 equals 100.0, and show the relative gain in payroll employment over the past nine years.



RESIDENT OREGON LABOR FORCE

	JUL. 1986 1/	JUN. 1986 2/	CHANGE	% CHANGE	JUL. 1985 5/
CIVILIAN LABOR FORCE 3/	1,344,800	1,361,800	- 17,000	- 1.2	1,332,400
UNEMPLOYMENT	119,500	121,200	- 1,700	- 1.4	114,200
PERCENT OF LABOR FORCE	8.9	8.9	XXX	XXX	8.6
SEASONALLY ADJUSTED PERCENT	9.4	9.4	XXX	XXX	9.1
TOTAL EMPLOYMENT 4/	1,225,300	1,240,600	- 15,300	- 1.2	1,218,200

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1985 AND JANUARY 1986, DATA FOR 1986 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUL. 1986 1/	JUN. 1986 2/	JUL. 1985	CHANGE FROM JUN. 1986	CHANGE FROM JUL. 1985
TOTAL 3/	1,043,800	1,067,100	1,023,800	- 23,300	20,000
WAGE & SALARY EMPLOYMENT INDEX 4/	111.6	112.2	109.5	XXX	XXX
DIFFUSION INDEX 5/	45.3	47.7	48.5	XXX	XXX
TOTAL MANUFACTURING	199,900	203,000	203,200	- 3,100	- 3,300
DURABLE GOODS	143,000	147,700	146,000	- 4,700	- 3,000
LUMBER & WOOD PRODUCTS	64,800	66,400	65,900	- 1,600	- 1,100
LOGGING & SAWMILLS	32,800	34,800	35,300	- 2,000	- 2,500
VENEER & PLYWOOD	17,200	17,200	16,300	0	900
MILLWORK & STRUCTURAL WOOD	9,400	9,100	8,900	300	500
MOBILE HOMES	1,500	1,500	1,500	0	0
OTHER WOOD PRODUCTS	3,900	3,800	3,900	100	0
FURNITURE AND FIXTURES	2,800	2,900	2,800	- 100	0
STONE, CLAY, GLASS & CONCRETE	3,100	3,000	3,300	100	- 200
PRIMARY METALS	8,400	8,500	8,700	- 100	- 300
BLAST FURNACES, IRON & STEEL	5,400	5,400	5,400	0	0
NONFERROUS METALS	3,000	3,100	3,300	- 100	- 300
FABRICATED METALS	10,700	11,400	10,900	- 700	- 200
FABRICATED STRUCTURAL METALS	5,100	5,600	5,200	- 500	- 100
OTHER FABRICATED METALS	5,600	5,800	5,700	- 200	- 100
MACHINERY	14,900	14,800	15,700	100	- 800
ELECTRICAL EQUIPMENT & SUPPLIES	13,300	13,100	14,200	200	- 900
TRANSPORTATION EQUIPMENT	9,200	11,500	7,300	- 2,300	1,900
INSTRUMENTS & RELATED PRODUCTS	13,200	13,500	14,600	- 300	- 1,400
MISCELLANEOUS MANUFACTURING	2,600	2,600	2,600	0	0
NONDURABLE GOODS	56,900	55,300	57,200	1,600	- 300
FOOD & KINDRED PRODUCTS	25,600	24,300	26,400	1,300	- 800
CANNING & PRESERVING	15,000	14,000	15,500	1,000	- 500
OTHER FOOD PRODUCTS	10,600	10,300	10,900	300	- 300
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,200	2,200	2,300	0	- 100
PAPER & ALLIED PRODUCTS	9,500	9,400	9,500	100	0
PRINTING & PUBLISHING	11,900	11,700	11,400	200	500
CHEMICALS & ALLIED PRODUCTS	2,000	2,000	1,900	0	100
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	3,100	3,100	3,200	0	- 100
LEATHER PRODUCTS	600	600	500	0	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUL. 1986	JUN. 1986	JUL. 1985	CHANGE FROM JUN. 1986	CHANGE FROM JUL. 1985
(CONT.)					
TOTAL NONMANUFACTURING	843,900	864,100	820,600	- 20,200	23,300
MINING & QUARRYING	1,900	1,800	1,800	100	100
CONSTRUCTION	35,100	34,100	35,400	1,000	- 300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,700	58,000	58,500	700	200
TRANSPORTATION	37,100	37,000	36,300	100	800
RAILROAD	4,600	4,600	5,100	0	- 500
TRUCKING & WAREHOUSING	21,600	21,000	20,300	600	1,300
OTHER TRANSPORTATION	10,900	11,400	10,900	- 500	0
COMMUNICATIONS	13,000	12,400	13,400	600	- 400
UTILITIES	8,600	8,600	8,800	0	- 200
TRADE	266,800	265,900	260,700	900	6,100
WHOLESALE TRADE	67,400	66,500	66,700	900	700
DURABLE GOODS	39,600	39,300	39,600	300	0
NONDURABLE GOODS	27,800	27,200	27,100	600	700
RETAIL TRADE	199,400	199,400	194,000	0	5,400
GENERAL MERCHANDISE	26,000	25,700	24,500	300	1,500
FOOD STORES	31,500	30,800	29,900	700	1,600
AUTO DEALERS & SERVICE STATIONS	25,200	25,000	25,200	200	0
OTHER RETAIL TRADE	116,700	117,900	114,400	- 1,200	2,300
FINANCE, INSURANCE, & REAL ESTATE	70,900	70,000	68,400	900	2,500
BANKING & CREDIT AGENCIES	24,100	23,800	23,700	300	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	46,800	46,200	44,700	600	2,100
SERVICES	229,100	228,500	215,900	600	13,200
HOTELS & PERSONAL SERVICES	26,100	25,900	25,400	200	700
HEALTH SERVICES	74,100	72,900	69,900	1,200	4,200
OTHER SERVICES	128,900	129,700	120,600	- 800	8,300
GOVERNMENT	181,400	205,800	179,900	- 24,400	1,500
FEDERAL GOVERNMENT	29,600	29,300	30,200	300	- 600
STATE GOVERNMENT	51,100	55,400	51,300	- 4,300	- 200
EDUCATION	18,700	23,300	19,000	- 4,600	- 300
OTHER STATE	32,400	32,100	32,300	300	100
LOCAL GOVERNMENT	100,700	121,100	98,400	- 20,400	2,300
EDUCATION	55,200	76,300	55,000	- 21,100	200
OTHER LOCAL	45,500	44,800	43,400	700	2,100
LABOR-MANAGEMENT DISPUTES	3,500	700	0	2,800	3,500

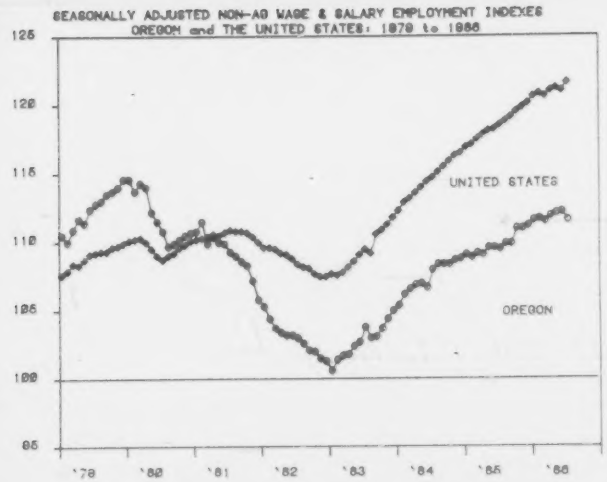
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

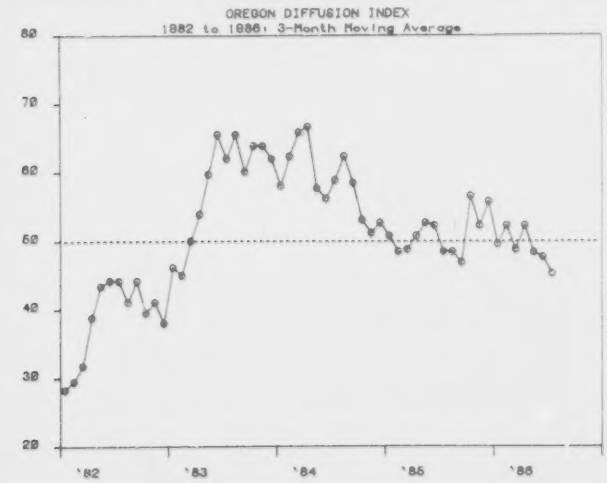
5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



Oregon's poor showing in July was partly the result of temporary factors that pushed the number of workers involved in labor disputes from 700 in June to 3,500 in July, the highest tally since August 1983. Had there been no increase in strike activity, Oregon's employment index would still have declined by 0.3 points due to layoffs in durable goods manufacturing and less than normal hiring by food processing and construction firms.

Increased strike activity had no measurable effect on Oregon's diffusion index, however, which managed to sink to 45.3, its lowest level in 3-1/2 years. Last month's decline marked the third month in a row in which this leading economic indicator has fallen and remained below the break-even level of 50.0. Both of these trends portend a slower economy later this year.

In recent weeks there has been rising concern among economists that the business expansion, both nationally and in Oregon, is losing momentum. Just recently, for example, the Nation's GNP growth rate during the second quarter of 1986 was revised downward from 1.1% to an anemic 0.6%. Also, the Nation's international trade deficit is heading for a new record high of about $170 billion this year. Although the current economic recovery, now over 3-1/2 years old, is not showing some of the typical



signs of old age, such as rising inflation and interest rates, tight labor markets, etc., it is suffering from a unique blend of other problems. Several of these include:

- High and persistent unemployment.
- Low prices and excess supplies of a wide variety of agricultural and industrial commodities, including lumber, metals, grain, oil, and many other basic items.
- Lagging exports of U.S. goods due to foreign competition, trade restrictions, and sluggish economic growth in both Japan and Western Europe.
- Severe competition from imports of all kinds, including raw commodities, industrial, and consumer goods. Despite an average devaluation of the U.S. dollar of 20% relative to the currencies of our key trading partners in the past 18 months, imports continue to siphon off a large and growing share of domestic demand. Fierce competition has helped to keep overall prices and profit margins very low, and has reduced plant and equipment spending and industrial production in 1986. This has forced many industries, especially in manufacturing, to re-structure operations and cut costs wherever possible. Many firms have instituted wage and benefit rollbacks, and have threatened to shut down operations if cost cutting efforts fail.

Many economists believe that strong housing construction and consumption spending, which have fueled the expansion so far, will continue to support the economy, but cannot continue to provide much, if any, new stimulus. Government officials at all levels are under increasing pressure also to rein in spending and, if necessary, to eliminate programs. Recent passage of the Gramm-Rudman-Hollings law clearly manifests this pressure at the federal level.

The key, and perhaps only, factor that can re-charge the economy and extend the current business expansion indefinitely is a significant improvement in net exports and our balance of trade with other nations. When this turnaround comes, our beleaguered agricultural and manufacturing industries will begin to stabilize and contribute to economic growth rather than detract from it.

Not surprisingly, it was the manufacturing sector that primarily accounted for Oregon's poor showing in July. Although large layoffs of public and private school personnel accounted for virtually all of the 23,300 net decline in wage and salary jobs between June and July, these summer layoffs were expected. Employment losses in manufacturing (-3,100) were not nearly as large, but they are more significant because they primarily reflect underlying economic problems rather than temporary seasonal factors.

This is especially true for the durable goods manufacturing industries, in which employment fell by 4,700 in July. If normal seasonal patterns had prevailed, durable goods employment would have actually increased by 1,400. Transportation equipment (-2,300), lumber and wood products (-1,600), fabricated metals (-700), and instruments and related products (-300) all reported losses in employment, but the reasons were varied.

PROFESSIONAL PLACEMENT SERVICE

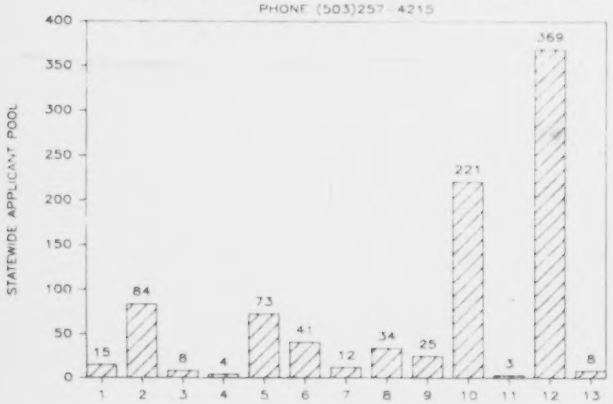
EMPLOYERS CORNER.....Dorothy Monnier

In the June issue of the Oregon Labor Trends, we talked about the Professional Placement Service that is currently administered by the Oregon State Employment Division. It is important that you know about the occupations represented in our professional applicant pool. The following graphs show the diversity of our job applicants.

THIS IS HOW YOU USE THE PROFESSIONAL PLACEMENT SERVICE: If you have a job opening, call the Account Executive who specializes in that particular occupation. You may request a computerized search for qualified applicants whose skills match your job opening. The applicant search will be conducted on a statewide basis from applicants registered at the Oregon State Employment Service.

INFORMATION SYSTEMS APPLICANTS

PHONE (503)257-4215



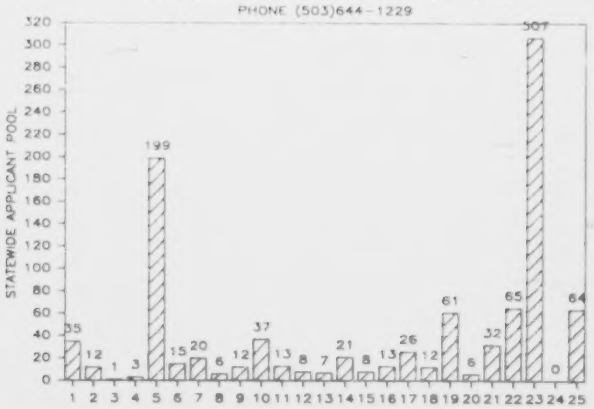
Dave Wilson (503) 229-5239
Information Systems Specialist
1099 S. W. Columbia
Portland, Oregon 97201

OCCUPATION INDEX

1. Systems Engineer
2. Systems Analyst
3. Programmer Business
4. Programmer, Chief, Lead or Project Leader
5. Programmer, Information Systems
6. Writer, Technical Publications
7. Manager, Electronic Data Processing
8. Word Processing, Supervisor/Machine Operator
9. Computer Operations, Supervisor
10. Word Processor
11. Sales Representative-Data Processing Service
12. Computer Operator
13. Sales Representative

ELECTRONICS APPLICANTS

PHONE (503)644-1229



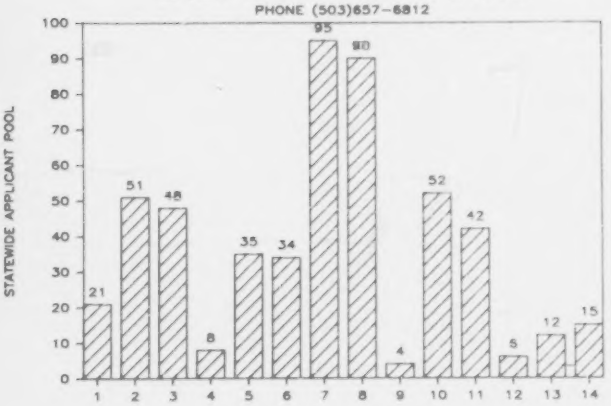
Kamy Hayse (503) 644-1229
Electronic Industry Specialist
8196 SW Hall Blvd.
Beaverton, Oregon 97005

OCCUPATION INDEX

1. Electronics Engineer
2. Design Engineer
3. Research Engineer
4. Test Engineer
5. Electronics Technician (Engineering)
6. Systems Engineer
7. Drafter, Electronics
8. Mechanical Design Engineer - Product
9. Manufacturing Engineer
10. Production Planner
11. QC Engineer
12. Drafter - Computer Assisted
13. Technical Illustrator - Electronics
14. Project Engineer
15. Computer Applications Engineer
16. Engineering Analyst
17. Programmer - Engineering Scientific
18. Software Technician
19. Writer, Technical Publications
20. Editor Technical and Scientific Publication
21. Management and Systems Analyst
22. Buyers
23. Purchasing (Electronics)
24. Training Representative
25. Production Supervisor

ENGINEERING APPLICANTS

PHONE (503)657-6812



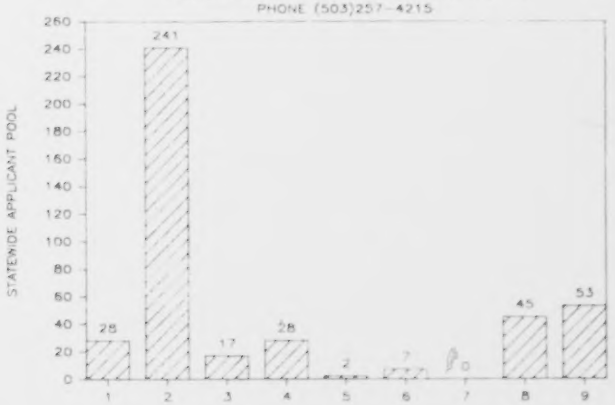
Jo Collins (503) 657-6812
Engineering Specialist
506 High Street
Oregon City, Oregon 97045

OCCUPATION INDEX

1. Contract Administrator
2. Electrical Engineer
3. Civil Engineer
4. Civil Drafter
5. Structural Engineer
6. Surveyor
7. Surveyor, Assist Instrument
8. Drafter, Engineering
9. Traffic Engineer
10. Mechanical Engineer
11. Drafter
12. Chemical Engineer
13. Manufacturing Engineer
14. Industrial Engineer

ACCOUNTING APPLICANTS

PHONE (503)257-4215



Margaret Skach (503) 257-4215
Accountant, Specialist
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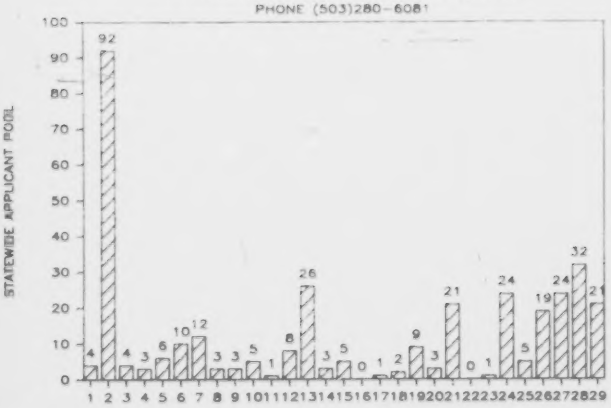
Portland, Oregon 97233

OCCUPATION INDEX

1. Auditor
2. Accountant
3. Accountant, Budget
4. Accountant, Cost
5. Accountant, Property
6. Accountant, System
7. Auditor, Internal
8. Manager, Credit & Collection
9. Controller

HEALTH CARE SERVICES

PHONE (503)280-6081



Jean Ericsson (503) 280-6081
Health Occupations Specialist
5411 N. E. Union
Portland, Oregon 97213

OCCUPATION INDEX

1. Physicians and Surgeons
2. RN, General Duty (Staff)
3. RN, Occupational Health (Industrial)
4. RN, (ONS) Director of Nursing Service
5. RN, Instructor
6. RN, Community Health
7. RN, Head
8. RN, Supervisor
9. RN, Practitioner
10. Speech Pathologist
11. Occupational Therapist (O.T.)
12. Physical Therapist (P.T.)
13. Medical Technologist
14. Chemistry Tech.
15. Microbiology Tech.
16. Cytotechnologist
17. Nuclear Medical Tech
18. Histologist
19. EKG Tech
20. EEG Tech
21. Radiologic Tech
22. Ultra Sound Tech
23. Record Administrator
24. Respiratory Therapist
25. Physicians Assistant
26. Hospital Administrator
27. Medical Social Worker
28. Psychiatric Social Worker
29. Drug and Alcohol Counselor

In transportation equipment, two major factors were cited for the layoffs. One was a slump in the market for heavy trucks coupled with excess manufacturing capacity. Another was a sharp drop in the volatile ship repair industry due to contract completions. Labor contracts in this industry expired at the end of June. As in many other basic industries, management is seeking wage and benefit concessions in an effort to cut costs and attract more ship repair business to the State.

Layoffs in fabricated metals were also caused by contract completions, but the outlook for more oil module contracts may depend more on OPEC decisions and the world price of oil than anything either labor or management can do within Oregon.

Job losses in the instruments and related products industry (-300) were not as large and were almost offset by a gain of 200 in electrical equipment, but the electronics "industry" is still very much in the doldrums. Weak markets due to the slump in business equipment spending, excess production capacity, and intense competition from both foreign and domestic firms are causing a number of Oregon companies to re-structure their operations. As a result, we can expect further job losses in high tech manufacturing in the next several months.

In lumber and wood products, July's employment decline of 1,600 had more to do with labor contract disputes than weak markets. Demand and production levels for lumber and plywood are actually quite high due to the current U.S. housing boom. Strong competition from low cost Canadian and U.S. producers and also from alternative structural panel products that compete with plywood, however, have kept lumber and plywood prices low. The resulting squeeze on profit margins has been felt throughout the industry, but especially at larger, unionized companies with high labor costs. When these labor contracts expired in June, the potential for strikes was high because all of the companies were seeking sizeable wage and benefit rollbacks. Almost all of the 3,500 workers involved in labor-management disputes during the mid-July survey week were from the wood products industry. At this writing, labor contract agreements have been reached at most of the companies involved. The good news is that many mills will remain open and provide jobs for thousands of workers. The bad news is that workers will be earning about $3 to $4 per hour less in wages and benefits in the next two years. The total income loss to the State and local communities affected will be even greater as millworkers curtail their personal spending.

The only nonmanufacturing industry that failed to perform as well as expected in July was construction. Employment in the building trades did rise by 1,000 during the month, but this was about half the usual seasonal increase. Lower interest rates have been a boon to residential builders during the past year (1,000 more jobs), but nonresidential building contractors have not fared as well (-200). One reason for this may be that tax reform legislation pending in Congress keeps tax benefits for single family homes but removes tax deductions for some commercial projects. In any event, employment in Oregon's construction industry was only 300 higher in July than one year ago. Since interest rates are already much lower than they were last summer, it is unlikely that the Federal Reserve's recent drop in the discount rate to 5-1/2% (the fourth decline so far this year) will have much impact on building activity in Oregon. The FED's action, however, was another small step in the right direction, and will probably be followed by similar rate cuts later this year and in Western Europe and Japan.

As usual, both trade and services performed better than expected in July, with food stores (+700), hospitals (+600), and other health services (+600) leading the way. Services had the best seasonally adjusted increase in employment among Oregon's major industries (+1,100), despite a drop of 600 in the rapidly expanding business services sector. One of the main reasons behind the strength in trade and services this summer is increased tourism throughout the State. This shows up in higher over-the-year employment counts in eating and drinking places (+1,400) and lodging places (+800). With sharply lower gas prices and the lure of Expo '86 in Vancouver B.C., more visitors were greeted in July at State information centers than ever before. Over 80,000 visitors were tallied at six Oregon welcome centers, 12% more than last year, and 10% more than the previous high served in 1977.

Strong tourism activity this summer also helps to explain two other indicators. The number of job placements made in July by Employment Division offices across the State has averaged around 10,000 over the last few years. This July, these offices made well over 12,000 placements. Another indication of improved job opportunities, at least for youth, comes from the Oregon Bureau of Labor and Industries. During the past 12 months, the number of work permits issued to youths aged 14-17 exceeded 34,200, the highest level in seven years.

In summary, the paradox of "good news, bad news" continued in July. At this stage of the business expansion, it is well to remember that economic indicators are more likely to reflect contradictory trends. As a result, no single indicator should be relied on to "tell the whole story".

If recent labor force data tell us anything, however, it is this: Oregon's economy, as well as the Nation's, is teetering and needs a booster shot, especially in the manufacturing and agricultural arms. The gradual re-structuring of industry involving layoffs and/or wage and benefit reductions is still in progress. Although these changes may be laying a stronger and more competitive foundation for Oregon's economy in the future, they are creating painful dislocations in the short run that are affecting many Oregon workers and their families. These changes also reflect the growing influence of world trade and economic competition on Oregon. One unfortunate by-product of this worldwide trend, however, is Oregon's increased susceptibility to economic events, such as currency exchange rate fluctuations, which are beyond our control.□

THE MIGRATION OF ELDERLY TO OREGON, 1980-85

Ed Schafer

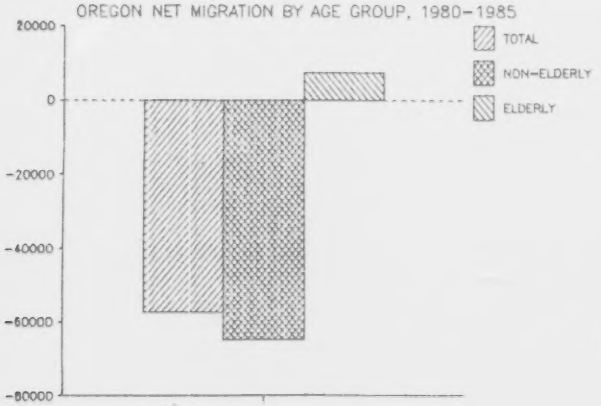
The results of the 1985 population estimates for Oregon brought few surprises. Most notably the data revealed that areas dependent on resource-based industries continued to lose population, while those not so connected to the lumber industry grew at a very modest rate. Perhaps the only big surprise was the extent to which elderly population continued to migrate into the State during the period 1980-1985. This article looks briefly at the pattern of elderly net migration within the State, and discusses the contribution which these new residents of Oregon make to the economy.

VOLUME OF ELDERLY NET MIGRATION

During the five-year period following the 1980 Census, the elderly population of Oregon increased by 45,810 individuals, from 303,336 in 1980 to an estimated 349,146 individuals in 1985. This represented a 15% growth of the elderly population during a period when the growth of the total population amounted to just 2 percent. The majority of the increase in the number of elderly Oregonians has been due to the aging of the population; that is, more people "aged" into elderly status than left elderly status through death. Yet, a significant proportion of the increase in the number of elderly Oregonians occurred through net migration. That is, during the five year period following the 1980 Census, 7,400 more elderly individuals moved into Oregon from other states than moved out of Oregon to other states. (See Figure 1.)

FIGURE 1

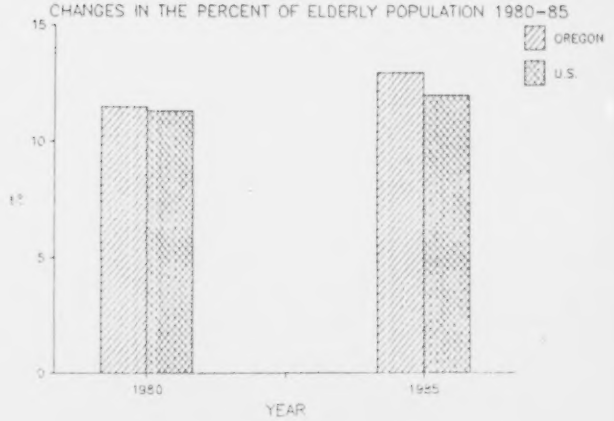
OREGON NET MIGRATION BY AGE GROUP, 1980-1985



While the volume of elderly net migration to Oregon is not remarkable, the fact that it occurred during a period of heavy out-migration by the non-elderly increases its impact on the State. For example, in 1980 the proportion of the Oregon population 65 years of age or over was 11.5 percent. This was very close to the national average of 11.3 percent. By 1985, the percentage of Oregonians 65 years old or over increased to 13 percent. Yet, U.S. Bureau of the Census projections found that the percentage of the Nation's population 65 years old and over increased to only 12 percent. (See Figure 2.)

FIGURE 2

CHANGES IN THE PERCENT OF ELDERLY POPULATION 1980-85



In summary, had it not been for the migration of elderly into the State during the five years following the last U.S. Census, net out-migration occurring to the State would have amounted to 64,800 rather than the 57,400 actually experienced.

GEOGRAPHIC DISTRIBUTION OF ELDERLY NET MIGRATION

Although as a whole, the State gained elderly population through net migration, not all counties benefited equally from this source of population increase. For instance, while Marion County's elderly population grew by 2,160 through net in-migration, Multnomah's elderly population decreased by roughly the same amount (-2,133) because of net out-migration. Other counties which posted gains in their elderly populations of 500 or more due to net migration include Deschutes (1,135), Douglas (521), Jackson (1,180), Josephine (1,102), and Lane (1,640). Additional counties which experienced net out-migration of elderly in excess of 100 were Columbia (-177) and Washington (-117).

In general, it appears that the elderly in-migration has been most pronounced in counties along Interstate Highway 5, south of the Portland Metropolitan Area and in Central Oregon, specifically Deschutes County. Interestingly, the Portland Metropolitan Area has been the region of greatest out-migration of elderly. Given the accepted wisdom that elderly usually seek areas with extensive medical facilities and the concentration of these medical facilities within the Portland area, the out-migration of elderly from this particular region is unexpected.

The accompanying table illustrates the demographic impact that net migration of elderly has had in some Oregon counties. This table contains information on the actual net migration for all ages occurring to three counties between 1980 and 1985. In addition, it shows what the net migration for each county would have been if there had been zero net migration for the elderly age group. As one can see, some counties with small or medium amounts of net in-migration would have experienced net out-migration if it were not for the in-migration of the elderly.

County	Actual Net Migration	Adjusted For Zero Elderly Migration
Deschutes	+ 401	-1536
Jackson	+1054	- 126
Marion	+ 354	-2514

IMPACT OF ELDERLY MIGRATION

In general, migration is usually viewed as a consequence of changing economic conditions within an area or different economic conditions between areas. In this sense, migrants are thought to leave areas with unfavorable employment opportunities and go to areas with more favorable opportunities. The overall out-migration of population from Oregon since the 1980 Census is a classic example of the impact that economic conditions can have on migration. Yet, as a greater proportion of the Nation's population becomes reliant on income transfers (e.g., Social Security, retirement, welfare) for their livelihoods, the relationship between economic conditions and migration becomes more complicated. One of the most obvious complications that occurs with the increasing importance of transfer payments to individuals is the decline in importance of employment opportunities as a primary factor used by some individuals in decisions about their location of residence. In fact, it could be argued that individuals who primarily live on transfer payments would maximize the benefits these payments would bring by living in areas experiencing unfavorable economic conditions, since these conditions often result in lower costs for many goods and services. Housing is a good example of this. Areas that are economically depressed often have depressed housing markets resulting in lower housing costs.

The movement of elderly into areas that are lagging economically could have very positive impacts to these localities. Besides creating additional demand for housing, as noted above, they create demand for a broad range of other goods and services, particularly the latter. This additional demand eventually leads to job creation for non-elderly residents. Thus, one could conclude that the economic impact of the elderly is in some ways similar to that of basic industries. By that we mean that the elderly bring income to an area from outside, and that the "imported" income generates additional jobs. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June 2/ 1986	May 3/ 1986	June 1985	June 2/ 1986	May 3/ 1986	June 1985	June 2/ 1986	May 3/ 1986	June 1985
TOTAL MANUFACTURING 4/	$420.51	$423.26	$418.15	38.9	39.3	39.3	$10.81	$10.77	$10.64
Durable Goods	432.13	433.60	435.64	39.5	40.0	40.3	10.94	10.84	10.81
Lumber & Wood Products	444.31	447.63	456.37	39.6	40.4	40.6	11.22	11.08	11.29
Logging & Sawmills	488.00	480.76	483.15	40.0	40.4	39.7	12.20	11.90	12.17
Veneer & Plywood	412.25	441.00	466.05	38.6	41.1	42.1	10.68	10.73	11.07
Millwork & Struct Wood	360.59	360.90	363.32	39.8	40.1	41.1	9.06	9.00	8.84
Mobile Homes	327.49	285.47	314.27	37.3	32.7	36.8	8.78	8.73	8.54
Other Wood Products	415.40	442.49	456.60	39.6	41.2	42.2	10.49	10.74	10.82
Furniture & Fixtures	308.11	308.07	305.71	39.3	38.8	38.6	7.84	7.94	7.92
Primary Metals	476.72	470.74	506.15	40.4	40.2	41.9	11.80	11.71	12.08
Fabricated Metals	419.76	411.20	405.21	40.4	40.0	40.4	10.39	10.28	10.03
Machinery	450.06	426.70	430.40	40.4	39.4	40.0	11.14	10.83	10.76
Nondurable Goods	385.91	391.72	371.04	37.0	37.2	36.7	10.43	10.53	10.11
Food & Kindred Products	317.63	324.90	306.77	36.3	36.1	35.1	8.75	9.00	8.74
Canning & Preserving	257.87	256.36	236.84	34.8	34.0	32.4	7.41	7.54	7.31
Other Food Products	423.15	411.38	425.70	39.0	38.7	39.6	10.85	10.63	10.75
Textile Mill Products	213.62	228.05	213.35	33.8	35.8	34.3	6.32	6.37	6.22
Apparel	216.22	210.37	217.14	36.4	35.9	38.5	5.94	5.86	5.64
Paper & Allied Products	607.01	620.59	584.42	39.7	41.4	40.5	15.29	14.99	14.43
Printing & Publishing	416.80	400.50	377.78	35.9	35.6	34.5	11.61	11.25	10.95
Construction 4/	481.66	477.47	499.20	36.6	34.7	36.2	13.16	13.76	13.79
Communications & Utilities 5/	488.03	515.34	515.43	40.5	40.9	41.4	12.05	12.60	12.45
Trade 5/	292.32	283.40	296.67	34.8	33.9	34.1	8.40	8.36	8.70
Wholesale Trade	388.36	378.49	408.19	38.0	37.4	38.4	10.22	10.12	10.63
Retail Trade	246.42	237.31	244.60	33.3	32.2	32.1	7.40	7.37	7.62
Banking & Insurance	306.05	302.24	284.16						
State & Local Government	343.71	340.34	320.42						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYMENT BY SIZE OF FIRM

Errol Pedersen

One of the many by-products of the unemployment insurance tax system is covered employment and payroll data. Since this data is collected at the firm level, it is possible to assign a size code in terms of employment to each firm and, as a result, tabulate data by size of firm. The federal government established a coding structure, and requires an annual report from each state. This size of firm data is based, with the exception of Alaska, on employment in the month of March.

Size of firm data can be of some value if properly used. This requires an understanding of some basic concepts. First, contrary to its name, it is not based on actual firm size. Rather, it is based on the concept of a "reporting unit," which is the sum of a firm's Oregon employment within a given industry and county. This should not be confused with an "establishment," which is a unique physical location. Similar establishments of a firm in the same industry and county constitute a single reporting unit.

Another feature of this data is that it is like a snapshot, showing the size structure of Oregon industries at one point in time. To try to deduce trends from comparing two or more of these snapshots is hazardous. Only by studying the data at the firm level could one determine, for example, whether an increase in the number of small firms was due to new firms entering the economy or large firms reducing their employment. Also, March is not a peak employment month in Oregon, so a number of companies, like those in food processing, are counted in a lower size class than might otherwise be the case later in the year.

Later this year when a study which will trace firm size over time is completed, we should have a better understanding of the importance of firm size in generating employment growth. In the meantime, the following tables may be of interest. In March 1985, for example, 89 percent (57,947) of the private sector firms in Oregon had fewer than 20 employes. These same firms, however, employed only 30 percent (237,776) of all private industry workers. Similar tables can be generated for payroll data and for individual counties in Oregon.

NO. OF OREGON FIRMS BY SIZE CLASS
MARCH 1985

	Total No. of Firms	Size of Firm (No. Employes) 0-19	20-99	100-499	500+
Total All Ownership	67,495	59,414	6,625	1,282	174
Total Priv Industry	65,159	57,947	6,096	1,013	103
Agri, Forest & Fish	2,297	2,089	197	11	*
Mining	196	180	16	*	0
Construction	6,264	5,991	260	13	0
Manufacturing	5,897	4,436	1,073	340	48
Transp & Public Ut	3,084	2,629	383	63	9
Wholesale Trade	6,465	5,702	697	63	3
Retail Trade	14,836	12,800	1,821	201	14
Fin, Ins & Real Est	5,258	4,789	389	73	7
Services	20,861	19,330	1,261	249	21
Government	2,336	1,467	529	269	71

NOTE: An * denotes a suppression to avoid disclosure of data which may be identified with individual firms. Total No. of Firms column does not include such firms.

OREGON EMPLOYMENT BY SIZE OF FIRM
MARCH 1985

	Total Employment	Size of Firm (No. Employes) 0-19	20-99	100-499	500+
Total All Ownership	976,094	245,801	268,387	251,987	209,919
Total Priv Industry	790,435	237,776	243,522	191,226	117,911
Agri, Forest & Fish	17,642	7,937	7,533	2,172	*
Mining	1,428	778	650	*	0
Construction	28,684	17,396	9,258	2,030	0
Manufacturing	192,758	20,994	47,063	67,664	57,037
Transp & Public Ut	51,258	12,235	15,613	11,285	12,125
Wholesale Trade	64,827	25,355	26,550	10,618	2,304
Retail Trade	185,923	65,687	70,263	36,459	13,514
Fin, Ins & Real Est	54,105	15,477	15,687	13,588	9,353
Services	193,800	71,907	51,070	47,815	23,008
Government	185,659	8,025	24,865	60,761	92,008

NOTE: An * denotes a suppression to avoid disclosure of data which may be identified with individual firms. The Total columns do not include such firms. □

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